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SERVICES' BOARD LETTER](#)

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County of Los Angeles  
Department of Public Social Services

Bryce Yokomizo  
Director

January 13, 2004

The Honorable Board of Supervisors  
County of Los Angeles  
500 West Temple Street  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO AUTHORIZE THE EXECUTION OF  
AMENDMENT NUMBER EIGHT TO THE LEADER AGREEMENT NUMBER 68587  
WITH UNISYS CORPORATION  
(JANUARY 13, 2004 AGENDA ITEM)  
(ALL DISTRICTS – 3 VOTES)**

**JOINT RECOMMENDATION WITH THE CHIEF INFORMATION OFFICER THAT  
YOUR BOARD:**

Approve, and instruct the Chair to sign upon receipt of State and federal approvals, the attached Amendment Number Eight to County Agreement Number 68587 (LEADER Agreement) with Unisys Corporation to: 1) increase the Total Maximum Contract Sum by \$15,481,887 to provide up to 8,000 hours per month of LEADER Modifications and/or Enhancements hours (M&E hours) through the remaining term of the LEADER Agreement; 2) establish a new fixed hourly rate of \$123.00; 3) increase the monthly M&E hours from 4,000 to 8,000 hours per month during any extended term of the LEADER Agreement; and 4) amend Paragraph 19.0 (Subcontracting) of the LEADER Agreement to amend the terms pursuant to which Unisys may employ subcontractors to provide services and support during the remainder of the Agreement and any extended term.

An increase in the number of M&E hours is needed to: allow for the timely implementation of modifications and enhancements to the LEADER software arising from County, State and federal mandates; and maintain the effectiveness of the LEADER System to adequately support the more than 11,000 LEADER System users Countywide.

This Amendment will increase the Total Maximum Contract Sum from \$180,893,588 to \$196,375,475. The additional \$15,481,887 will be subvented by State and federal revenue in the amount of \$13,297,393. The Net County Cost (NCC) for FY 2003-04 is \$796,070 and is included in the FY 2003-04 Adopted Budget. The NCC for FY 2004-05 is \$1,388,424 and will be included in the FY 2004-05 Budget Request.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is to modify the LEADER Agreement to increase the Total Maximum Contract Sum by \$15,481,887 to provide for up to 8,000 monthly M&E hours at a new fixed hourly rate of \$123.00, through the remaining term of the LEADER Agreement, increase the monthly M&E hours from 4,000 to 8,000 hours per month during any extended term of the LEADER Agreement; establish a new fixed hourly rate of \$123.00 for the additional 4,000 M&E hours per month during any extended term of the LEADER Agreement; and amend Paragraph 19.0 (Subcontracting) of the LEADER Agreement to set forth the terms pursuant to which Unisys may employ subcontractors to provide part, but not all, Facilities Management/Operations and Application Software Modifications and/or Enhancements during the remainder of the current Agreement and any extended term.

The attached chart identifies the fixed hourly rates that will apply for the remainder of the initial term as well as during the optional extended term.

#### **Increase in the Number of Modifications and/or Enhancements (M&E) Hours**

Under the original LEADER Agreement, approved by your Board in 1995, a fixed hourly rate of \$76.02 was established for M&E hours. These hours will be exhausted by the end of January 2004.

Amendment Number Eight provides for an additional 8,000 M&E hours per month during the remainder of the Agreement at a new fixed hourly rate of \$123.00. Based on discussions with the State, this fixed hourly rate is reasonable based on the size and complexity of the LEADER System. Additionally, our initial request to the State had asked for approval of a fixed hourly rate of \$168.00, which was Unisys' original proposal. The State approved that request. However, as a result of subsequent negotiations with Unisys, DPSS was able to negotiate a more favorable fixed hourly rate of \$123.00.

Also, the LEADER System supports thirty-eight percent (38%) of the California caseload, yet it is operating on the smallest number of monthly M&E hours as compared to the other California consortia. For example, the Interim Statewide Automated Welfare System (ISAWS) which supports approximately twelve percent (12%) of the California caseload is operating on 11,000 monthly M&E hours, whereas, the LEADER System is currently operating on less than 3,200 monthly M&E hours.

Additionally, due to the perpetually changing nature of public assistance programs, as well as the constant stream of rule changes and critical system updates that must be incorporated into the LEADER software, experience has demonstrated that 8,000 hours per month are needed to maintain the effectiveness and efficiency of the LEADER System.

When the LEADER Request for Proposals was released in 1995, 4,000 M&E hours per month were used as an estimate for vendors' proposals and were considered to be adequate. However, the following events required that M&E hours be utilized beyond the original projected 4,000 hours per month.

- (1) On December 21, 1998, your Board approved Amendment Number Three to the LEADER Agreement that extended the Initial Term an additional twelve months to implement Welfare Reform modifications for the LEADER Application Software. In addition, pursuant to Amendment Number Three, the County began to utilize M&E hours prior to the original date in the LEADER Agreement to implement critical LEADER System updates identified during the Pilot Test.
- (2) On March 16, 1999, your Board approved Modification Notice Number Three to the LEADER Agreement that extended the Initial Term by three months in order to lengthen the Acceptance Test period.
- (3) On October 10, 2000, your Board approved Amendment Number Four to the LEADER Agreement to implement the Multi-Host Partitioned Database Architecture that extended the Initial Term an additional nine months.
- (4) In order to meet new County and State requirements, additional modifications to the LEADER software, such as the Cash Assistance Program for Immigrants (CAPI) and California Food Assistance Program (CFAP), were implemented, which consumed a large number of M&E hours as well.

In January 2003, the Internal Services Department (ISD) reviewed the LEADER System and determined that based on the usage rate of M&E hours per month, the M&E hours for the original term of the Agreement would be exhausted by the end of February 2004. That determination proved to be accurate. Based on current calculations, we will deplete our M&E hours by the end of January 2004. If the number of current M&E hours is not increased, changes cannot be implemented. This will adversely affect the ability of the County to fulfill its obligations to applicants and participants.

Under the LEADER Agreement, the County has the option to extend the LEADER Agreement term up to twenty-four additional months on a month-to-month basis at the end of the original Agreement term. This Amendment allows for an additional 4,000 hours per month, at a combined total of 8,000 hours per month, which would be billed as follows: the first 4,000 hours per month will be billed at the 1995 negotiated rate of \$83.62. The extension years were negotiated at a higher M&E hourly rate than the initial term of the contract, which was negotiated at a \$76.02 hourly rate. The additional 4,000 hours per month will be billed at the new fixed hourly rate of \$123.00.

#### **Use of Subcontractors to Perform Modifications and/or Enhancements**

Pursuant to Paragraph 19.0 (Subcontracting) of the LEADER Agreement, DPSS is authorized to act on behalf of the County regarding approval of any subcontractors.

Amendment Number Eight revises Paragraph 19.0 (Subcontracting) to exempt from County approval, those subcontractors of Unisys and its subcontractors, which will perform only a part of, but not all, Facilities Management/Operations and Application Software Modifications and/or Enhancements and which did not provide specific key personnel. This change, however, does not relieve Unisys of any of its obligations and responsibilities under the LEADER Agreement, and the LEADER Agreement takes precedence over any subcontract.

#### **Implementation of Strategic Plan Goals**

The recommendation is consistent with the principles of County Strategic Plan Goal #1 (Service Excellence) to provide the public with easy access to quality information and services that are both beneficial and responsive. In addition, this Amendment is consistent with DPSS' objectives for increasing the efficiency and effectiveness of departmental programs through expanded information technology and communications.

Expansion of the LEADER System is part of the DPSS Business Automation Plan.

### **FISCAL IMPACT/FINANCING**

Amendment Number Eight increases the current Total Maximum Contract Sum of the LEADER Agreement from \$180,893,588 to \$196,375,475.

#### **Costs for Fiscal Year 2003-04**

The total estimated costs for Amendment Number Eight in FY 2003-04 are \$5,641,887. These costs will be financed using \$4,845,817 State and federal revenue and \$796,070 NCC. Sufficient funding is included in the FY 2003-04 Adopted Budget.

#### **Costs for Fiscal Year 2004-05**

The total estimated costs for Amendment Number Eight in FY 2004-05 are \$9,840,000. These costs will be financed using \$8,451,576 State and federal revenue and \$1,388,424 NCC. Sufficient funding will be included in the Department's FY 2004-05 Budget Request.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On September 12, 1995, your Board approved the LEADER Information Technology Agreement Number 68587 between the County and Unisys. Execution of this Amendment is contingent upon receipt of State and federal approval.

This Amendment was negotiated and prepared by DPSS staff and reviewed and approved as to form by County Counsel. As with the existing LEADER Agreement and its previous amendments, outside counsel, Mitchell, Silberberg & Knupp LLP, also reviewed and commented on the Amendment in accordance with your Board's policy regarding technology contracts.

This is not a Prop A contract and accordingly is exempt from the requirements of the Living Wage Ordinance.

### **CONTRACTING PROCESS**

Unisys was selected via a competitive solicitation. On September 12, 1995, your Board awarded a 7.5-year contract (with the option for two additional years) to Unisys to provide an automated welfare system within 42 months and to operate the system for an additional 48 months. Amendment Number Three and Amendment Number Four approved by your Board extended the 7.5-year contract term by two years to April 30, 2005, making the Initial Term of the LEADER Agreement nine (9) years and six (6) months. The LEADER Agreement provides for the County to extend the LEADER Agreement term for up to twenty-four months on a month-to-month basis.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The execution of Amendment Number Eight augments the LEADER System by enhancing services to the participant population.

### **CONCLUSION**

Upon receipt of State and federal approvals and funding of this Amendment, DPSS will notify the Executive Officer, Board of Supervisors, and request the return of three (3) original signed copies of this Amendment and one (1) adopted stamped Board Letter to the Department of Public Social Services.

Respectfully submitted,

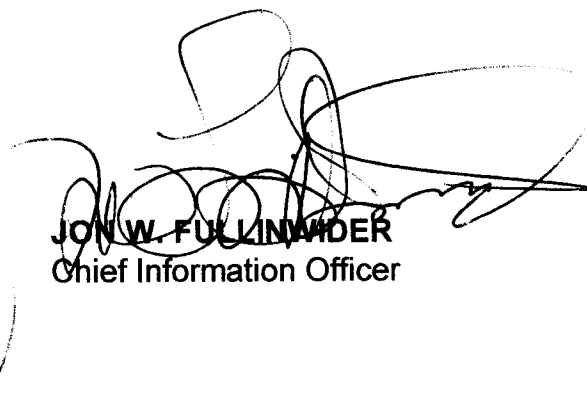


**BRYCE YOKOMIZO**  
Director

BY/JWF:pcr

Attachments

c:     Executive Officer, Board of Supervisors  
       Chief Administrative Officer  
       County Counsel  
       Auditor-Controller  
       Chair, Information Systems Commission



**JON W. FULLINWIDER**  
Chief Information Officer

# **AMENDMENT NUMBER EIGHT TO THE LEADER AGREEMENT WITH UNISYS CORPORATION** **FIXED RATE PRICES FOR APPLICATION SOFTWARE MODIFICATIONS AND/OR ENHANCEMENTS**

<b>INITIAL TERM - (Through 4/30/05)</b>	<b>FIXED HOURLY RATE</b>	<b>MAXIMUM TOTAL PRICE</b>
<b>LEADER Application Software Modifications and/or Enhancements**</b> Fixed Rate Price Total <i>(Maximum Total Price based on 4,000 hours per month.)</i>	<b>\$76.02</b> (for a maximum of 192,000 Hrs.)	<b>\$14,595,840.00</b>
<b>LEADER Application Software Modifications and/or Enhancements**</b> Fixed Rate Price Total <i>(Maximum Total Price based on 8,000 hours per month effective January 2004.)</i>	<b>\$123.00</b> (After exhaustion of the initial 192,000 Hrs.)	<b>\$15,481,887.00</b>

**\*\* The 192,000 hours at the \$76.02 Fixed Hourly Rate shall be completely exhausted before any hours at the \$123.00 Fixed Hourly Rate are used.**

<b>OPTIONAL EXTENDED TERM YEAR 1 - (5/2005 - 4/2006)</b>	<b>FIXED HOURLY RATE</b>	<b>MAXIMUM TOTAL PRICE</b>
<b>LEADER Application Software Modifications and/or Enhancements</b> Fixed Rate Price Total	<b>\$83.62</b> (for up to 4,000 Hrs. Per Month)	<b>\$4,013,760.00</b>
<b>LEADER Application Software Modifications and/or Enhancements</b> Fixed Rate Price Total	<b>\$123.00</b> (for Hours 4001 - 8000 Per Month)	<b>\$5,904,000.00</b>

<b>OPTIONAL EXTENDED TERM YEAR 2 - (5/2006 - 4/2007)</b>	<b>FIXED HOURLY RATE</b>	<b>MAXIMUM TOTAL PRICE</b>
<b>LEADER Application Software Modifications and/or Enhancements</b> Fixed Rate Price Total	<b>\$83.62</b> (for up to 4,000 Hrs. Per Month)	<b>\$4,013,760.00</b>
<b>LEADER Application Software Modifications and/or Enhancements</b> Fixed Rate Price Total	<b>\$123.00</b> (for Hours 4001 - 8000 Per Month)	<b>\$5,904,000.00</b>



**AMENDMENT NUMBER EIGHT  
TO  
INFORMATION TECHNOLOGY AGREEMENT**

**BY AND BETWEEN**

**COUNTY OF LOS ANGELES**

**AND**

**UNISYS CORPORATION**

**FOR A LOS ANGELES**

**ELIGIBILITY, AUTOMATED DETERMINATION, EVALUATION AND**

**REPORTING SYSTEM ("LEADER SYSTEM")**

**(COUNTY OF LOS ANGELES AGREEMENT NUMBER 68587)**

**December 2003**

**AMENDMENT NUMBER EIGHT TO**  
**COUNTY OF LOS ANGELES AGREEMENT NUMBER 68587**

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**EXHIBITS**

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**AMENDMENT NUMBER EIGHT TO**  
**COUNTY OF LOS ANGELES AGREEMENT NUMBER 68587**

This Amendment Number Eight is entered into by and between the County of Los Angeles (hereafter "COUNTY") and Unisys Corporation (hereafter "CONTRACTOR"), and amends that certain COUNTY Agreement Number 68587, dated September 12, 1995, including Amendment Number One, dated June 17, 1997, Amendment Number Two, dated July 1, 1997, Amendment Number Three, dated March 22, 1999, Amendment Number Four, dated October 10, 2000, Amendment Number Five, dated August 6, 2002, Amendment Number Six, dated May 20, 2003, Amendment Number Seven, dated November 18, 2003, Modification Notice Number One, dated February 13, 1996, Modification Notice Number Two, dated February 10, 1998, Modification Notice Number Three, dated April 8, 1999, Modification Notice Number Four, dated September 4, 2001, Modification Notice Number Five, dated April 30, 2002, and Modification Notice Number Six, dated December 3, 2002 (hereafter collectively "Agreement").

WHEREAS, in accordance with the terms and conditions of Agreement, CONTRACTOR has been performing maintenance, modifications and enhancements for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting System (hereafter "LEADER System") which commenced during the Pilot Office Test;

WHEREAS, CONTRACTOR possesses unique knowledge and understanding of COUNTY's Department of Public Social Services (hereafter "DPSS") and the LEADER System Project, as well as extensive experience with the LEADER Application Software;

WHEREAS, COUNTY desires to increase the monthly Application Software Modifications and/or Enhancements hours from 4,000 to 8,000 through the remainder of the Initial Term and any Extended Term of the Agreement;

WHEREAS, the parties desire to amend the Agreement.

NOW, THEREFORE, pursuant to Subparagraph 49.6 of Paragraph 49.0 (Modification Notices and Amendments) of the Agreement, COUNTY and CONTRACTOR agree to amend the Agreement as follows:

1. Subparagraph 6.1.1.1 of Subparagraph 6.1.1 (Total Maximum Contract Sum) of Subparagraph 6.1 (Fixed Price Contract Sums) of Paragraph 6.0 (Contract Sum) is amended to read:

"6.1.1.1 The Total Maximum Contract Sum (CONTRACTOR's total designated consideration for furnishing all goods and services required hereunder, as determined by aggregating the Maximum Contract Sums specified in Subparagraphs 6.1.2, 6.1.3.1, 6.1.3.2, 6.1.3.3, 6.1.3.4, 6.1.4.1, 6.1.5.1, 6.1.6, 6.1.7, 6.1.8, 6.1.9, 6.1.10, 6.1.11, 6.1.12, 6.1.13, 6.1.14, 6.1.15, and 6.1.16) for this Agreement during the Initial Term shall not exceed One Hundred and Ninety Six Million Three Hundred and Seventy Five Thousand Four Hundred and Seventy Four Dollars and Eighty -Three Cents (\$196,375,474.83)."

2. Subparagraph 6.1.1.2 of Subparagraph 6.1.1 (Total Maximum Contract Sum) of Subparagraph 6.1 (Fixed Price Contract Sum) of Paragraph 6.0 (Contract Sum) is amended to read:

“6.1.1.2 Should COUNTY determine to extend this Agreement pursuant to Subparagraph 5.3 (Extension Options), the Total Maximum Contract Sum (as determined by aggregating the Maximum Contract Sums specified in Subparagraphs 6.1.3.2, 6.1.4.2 and 6.1.5.2) for each month so extended shall not exceed One Million Three Hundred and Sixty Nine Thousand Seven Hundred and Ten Dollars and No Cents (\$1,369,710.00) per month during the first twelve (12) months of the extended period, and shall not exceed One Million Four Hundred and Thirteen Thousand and Seven Hundred Eighty Five Dollars and Thirty-One Cents (\$1,413,785.31) per month, during the second twelve (12) months of the extended period.”

3. Subparagraph 6.1.5.1 of Subparagraph 6.1.5 (Application Software Modifications and/or Enhancements) of Subparagraph 6.1 (Fixed Price Contract Sums) of Paragraph 6.0 (Contract Sum) is amended to read:

"6.1.5.1 The Maximum Contract Sum for Application Software Modifications and/or Enhancements (CONTRACTOR's total designated consideration for furnishing all goods and services required for the Application Software Modifications and/or Enhancements of LEADER Application Software as required hereunder) for this Agreement during the Initial Term commencing with the end of the first month of Pilot Office Test and continuing through the Operational Period shall not exceed Thirty Million and Seventy Seven Thousand Seven Hundred and Twenty Seven Dollars and No Cents (\$30,077,727.00). Once the Maximum Contract Sum for Application Software Modifications and/or Enhancements has been expended, CONTRACTOR shall have no obligation to perform any further Application Software Modifications and/or Enhancements unless additional funds for such work have been authorized by COUNTY."

4. Subparagraph 6.1.5.2 of Subparagraph 6.1.5 (Application Software Modifications and/or Enhancements) of Subparagraph 6.1 (Fixed Price Contract Sums) of Paragraph 6.0 (Contract Sum) is amended to read:

“6.1.5.2 Should COUNTY determine to extend this Agreement pursuant to Subparagraph 5.3 (Extension Options), the Maximum Contract Sum for Application Software Modifications and/or Enhancements (as defined in Subparagraph 6.1.5.1) for each month so extended shall not exceed Eight Hundred and Twenty Six Thousand Four Hundred and Eighty Dollars and No Cents (\$826,480.00) per month.”

5. Subparagraph 6.2.3 (Determination of LEADER Application Software Modifications and/or Enhancements Costs) of Subparagraph 6.2 (Determination of Fixed Rate Costs) of Paragraph 6.0 (Contract Sum) is amended to read:

**“6.2.3 Determination of LEADER Application Software Modifications and/or Enhancements Costs**

CONTRACTOR shall be reimbursed for only those Application Software Modifications and/or Enhancements which have had prior COUNTY approval and for which COUNTY has accepted completed Deliverables. Invoices submitted for these services shall include an accounting of COUNTY approved Application Software Modifications and/or Enhancements, together with the number of person hours and the Fixed Rate for such services. The Fixed Rate shall be that contained in Schedule B (Fixed Rate Prices) of Exhibit G (Schedule of Payments). If the number of person hours should exceed projected levels (8,000 hours per month as revised pursuant to Amendment Number Eight) by twenty percent (20%) or more during the term of this Agreement, Subparagraph 6.3.2 shall apply. To avoid unusual and unreasonable fluctuations in resources, the parties shall plan the allocation and assignment of resources for Application Software Modifications and/or Enhancements and review such plan on a regular basis during the Operational Period.”

6. Subparagraph 6.2 (Determination of Fixed Rate Costs) of Paragraph 6.0 (Contract Sum) is amended by adding thereto the following Subparagraph 6.2.4:

**“6.2.4 LEADER Application Software Modifications and/or Enhancements Costs During Any Extended Term (Optional Year 1 and Optional Year 2)**

CONTRACTOR shall be reimbursed for only those Application Software Modifications and/or Enhancements which have had prior COUNTY approval and for which COUNTY has accepted completed Deliverables. Invoices submitted for these services shall include an accounting of COUNTY approved Application Software Modifications and/or Enhancements, together with the number of person hours and the Fixed Rate for such services. The Fixed Rate shall be that contained in Schedule C (Optional Year 1) and Schedule D (Optional Year 2), as applicable, of Exhibit G (Schedule of Payments). For person hours from 1 through 4,000 during a particular month, the Fixed Rate shall be \$83.62 per hour. For person hours from 4,001 through 8,000 during a particular month, the Fixed Rate shall be \$123.00 per hour”.

7. Subparagraph 6.3.2 (Renegotiation of Utilization Fixed Rates for Significant Increases) of Subparagraph 6.3 (Utilization Fixed Rate Adjustments) of Paragraph 6.0 (Contract Sum) is amended to read:

**“6.3.2 Renegotiation of Utilization Fixed Rates for Significant Increases**

Because the Utilization Fixed Rates for Local Office Hardware/Software and Facilities Management/Operations and Telecommunications, contained in Schedules B and E of Exhibit G (Schedule of Payments), are based on COUNTY projections (see Schedule A of Exhibit F (LEADER System Hardware/Software)), the Fixed Rate (as added pursuant to Amendment Number Eight) for LEADER Application Software Modifications and/or Enhancements, contained in Schedule B of Exhibit G (Schedule of Payments),

is based on a COUNTY projection of 8,000 person hours per month (as added pursuant to Amendment Number Eight), and because the term of this Agreement is lengthy, e.g., one hundred and fourteen (114) months, COUNTY reserves the right to renegotiate adjustments to such rates at specific intervals if caseload, user, location and/or person hours increase significantly from the projected numbers during the term of this Agreement. COUNTY may exercise this right at the end of the first full year of the Operational Period and/or at the end of any subsequent six (6) month period during the term of this Agreement. Renegotiations shall be based on CONTRACTOR's original methodology for determining the Utilization Fixed Rates, new COUNTY projections of items of Local Office Hardware/Software, caseloads, and significant increases in the number of program changes required. For purposes of this Subparagraph, a significant increase is defined as an increase over the projected level of twenty percent (20%) or more."

8. Subparagraph 19.2 of Paragraph 19.0 (Subcontracting) is amended to read:

"19.2 If CONTRACTOR desires to subcontract (other than for: (i) the filling of a position designated as a "key personnel" as described in Subparagraph 19.11; or (ii) the performance of parts of LEADER Project Tasks, not including the performance of an entire LEADER Project Task, or the filling of a position designated as a "key personnel", as described in Subparagraph 19.12; or (iii) the performance of part, but not all, of Facilities Management/Operations or Application Software Modifications and/or Enhancements, or the filling of a position designated as a "key personnel", as described in Subparagraph 19.18), CONTRACTOR shall provide the following information promptly to COUNTY:

- A. A description of the work to be performed by the subcontractor.
- B. Identification of the proposed subcontractor.
- C. A draft copy of the proposed subcontract which subcontract, unless COUNTY otherwise agrees, must contain, at a minimum, all provisions of the sample contract provided in Exhibit J (COUNTY's Request for Proposals).
- D. Other pertinent information and/or certifications requested by COUNTY.

COUNTY's written approval for CONTRACTOR to enter into a particular subcontract shall be given or withheld within thirty (30) Days after receipt of all the information and documentation set forth in this Subparagraph 19.2 pursuant to the notice provisions in Paragraph 47.0 (Notices and Communications). If the COUNTY withholds approval of the proposed subcontract, it shall provide reason(s) in writing to CONTRACTOR. COUNTY's failure to either approve or disapprove the proposed subcontract within such thirty (30) Days shall be deemed an approval by COUNTY. In the event that COUNTY approves any subcontract, such approval shall apply only to the particular subcontract approved and shall not be, or be construed to be, a waiver of this Paragraph 19.0 or a blanket approval of any additional subcontract."

9. Subparagraph 19.4 of Paragraph 19.0 (Subcontracting) is amended to read:

“19.4 CONTRACTOR shall remain fully responsible for all performances required of it under this Agreement, including those which CONTRACTOR has determined to subcontract, notwithstanding COUNTY’s approval of CONTRACTOR’s proposed subcontract pursuant to Subparagraphs 19.2 or 19.11, or the exemption from such COUNTY approval pursuant to Subparagraphs 19.12 or 19.18.”

10. Subparagraph 19.5 of Paragraph 19.0 (Subcontracting) is amended to read:

“19.5 COUNTY’s approval of any subcontract pursuant to Subparagraphs 19.2 or 19.11, or the exemption from such COUNTY approval pursuant to Subparagraphs 19.12 or 19.18, shall not waive COUNTY’s right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. CONTRACTOR is responsible to notify its subcontractors of this COUNTY right.”

11. Subparagraph 19.7 of Paragraph 19.0 (Subcontracting) is amended to read:

“19.7 CONTRACTOR shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through any work performed hereunder, notwithstanding COUNTY’s approval of any subcontract pursuant to Subparagraphs 19.2 or 19.11, or the exemption from such COUNTY approval pursuant to Subparagraphs 19.12 or 19.18.”

12. Subparagraph 19.11 of Paragraph 19.0 (Subcontracting) is amended to read:

“19.11 Notwithstanding any other provision of this Paragraph 19.0, the provisions of Subparagraphs 19.2, 19.8, 19.9(B), 19.12, and 19.18 shall not apply to any subcontractor which performs parts of LEADER Project Tasks as set forth in Sections A4.1 through A4.8 of Exhibit A (Statement of Work) but does not perform an entire such LEADER Project Task for CONTRACTOR, and the proposed subcontract is for the filling of a position designated as a “key personnel” as described in Section 3.2.6.2.3 (Project Staff Qualifications) of Exhibit J (COUNTY’s Request for Proposals). For any such proposed subcontract, CONTRACTOR shall make a written request to COUNTY for written approval to enter into the particular subcontract for such key personnel. CONTRACTOR’s request to COUNTY shall include:

A. Identification of the particular such key personnel position (e.g., Training Manager, Database Administrator, etc.), as described in such Section 3.2.6.2.3 (Project Staff Qualifications), to be performed by the proposed subcontractor.

B. Identification of the proposed subcontractor.

- C. For each person who would fill a position designated as a “key personnel,” references and other information for each such person as described in Subsections (1), (2) and (3) of such Section 3.2.6.2.3 (Project Staff Qualifications).
- D. Other pertinent information and/or certifications requested by COUNTY.

COUNTY’s written approval for CONTRACTOR to enter into a particular subcontract shall be given or withheld within fifteen (15) Working Days after receipt of all the information and documentation set forth in this Subparagraph 19.11 pursuant to the notice provisions in Paragraph 47.0 (Notices and Communications). COUNTY’s failure to either approve or disapprove the proposed subcontract within such fifteen (15) Working Days shall be deemed an approval by COUNTY. In the event that COUNTY approves any subcontract, such approval shall apply only to the particular subcontract approved and shall not be, or be construed to be, a waiver of this Paragraph 19.0 or a blanket approval of any additional subcontract.

CONTRACTOR, with COUNTY’s Project Director’s prior consent, may permit the proposed subcontractor to commence work prior to obtaining COUNTY’s formal approval as set forth in the prior paragraph, provided however, that CONTRACTOR agrees that it will immediately terminate any such proposed subcontractor if COUNTY disapproves the proposed subcontractor within such fifteen (15) Working Days.”

13. Subparagraph 19.12 of Paragraph 19.0 (Subcontracting) is amended to read:

“19.12 COUNTY recognizes that CONTRACTOR and its subcontractors will be using subcontractors as part of a team performing LEADER Project Tasks, as set forth in Sections A4.1 through A4.8 of Exhibit A (Statement of Work).

Notwithstanding any other provision of this Paragraph 19.0, the provisions of Subparagraphs 19.1, 19.2, 19.8, 19.9(B), 19.11 and 19.18 shall not apply to any subcontractor which performs parts of such LEADER Project Tasks but does not perform an entire such LEADER Project Task for CONTRACTOR and the subcontract is not for the filling of a position designated as a “key personnel” as described in Section 3.2.6.2.3 (Project Staff Qualifications) of Exhibit J (COUNTY’s Request for Proposals). Examples of such subcontractors which are exempt from the provisions of Subparagraphs 19.1, 19.2, 19.8, 19.9(B), 19.11 and 19.18 include:

- A. Software programmers;
- B. Trainers;
- C. Hardware and software testers; and
- D. Clerical personnel.”



14. Paragraph 19.0 (Subcontracting) is amended by adding thereto the following Subparagraph 19.18

“19.18 Notwithstanding any other provision of this Paragraph 19.0, the provisions of Subparagraphs 19.1, 19.2, 19.8, 19.9(B), 19.11 and 19.12 shall not apply to any subcontractor which performs part, but not all, of Facilities Management/Operations, as set forth in Section A5.0 of Exhibit A (Statement of Work), or Application Software Modifications and/or Enhancements, as set forth in Section A6.0 of Exhibit A (Statement of Work), for CONTRACTOR, and the subcontract is not for the filling of a position designated as a “key personnel” as described in Section 3.2.6.2.3 (Project Staff Qualifications) of Exhibit J (COUNTY’s Request for Proposals). Examples of such subcontractors which are exempt from the provisions of Subparagraphs 19.1, 19.2, 19.8, 19.9(B), 19.11 and 19.12 include:

- A. Software programmers;
- B. Trainers;
- C. Hardware and software testers; and
- D. Clerical personnel.

One-hundred percent (100%) of CONTRACTOR’s staff (including, without limitation, all staff of subcontractors of CONTRACTOR and all subcontractors of subcontractors (regardless of tier)) providing Application Software Modifications and/or Enhancements shall be located at the LEADER Project Management Office, provided that COUNTY’s Project Director, in his/her sole discretion, may approve, in writing, the location of specific staff at a location other than the LEADER Project Management Office, so long as all such staff are located within the forty-eight (48) contiguous United States. CONTRACTOR shall provide training to all such staff at no cost to COUNTY.

One-hundred percent (100%) of CONTRACTOR’s staff (including, without limitation, all staff of subcontractors of CONTRACTOR and all subcontractors of subcontractors (regardless of tier)) providing Facilities Management/Operations shall be located at the LEADER Project Management Office, Central Site, or CONTRACTOR’s backup site, provided that COUNTY’s Project Director, in his/her sole discretion, may approve, in writing, the location of specific staff at a location other than the LEADER Project Management Office, Central Site, or CONTRACTOR’s backup site, so long as all such staff are located within the forty-eight (48) contiguous United States.”

15. Attachment 5 (Technical Clarifications) of Exhibit A (Statement of Work) is amended by replacing Page A110.1, dated October 1998, with a correspondingly numbered page, which is attached hereto and incorporated herein by reference. This replacement page is dated December 2003.
16. Schedule B (Fixed Rate Prices) of Exhibit G (Schedule of Payments) is amended by replacing Page G-5, dated July 1995, with a correspondingly numbered page, which is attached hereto and incorporated herein by reference. This replacement page is dated December 2003.
17. Schedule C (Optional Year 1) of Exhibit G (Schedule of Payments) is amended by replacing Page G-7, dated July 1995, with a correspondingly numbered page, which is attached hereto and incorporated herein by reference. This replacement page is dated December 2003.
18. Schedule D (Optional Year 2) of Exhibit G (Schedule of Payments) is amended by replacing Page G-9, dated July 1995, with a correspondingly numbered page, which is attached hereto and incorporated herein by reference. This replacement page is dated December 2003.
19. This Amendment Number Eight shall be effective only after COUNTY has received written notice that the federal and State governments have approved this Amendment Number Eight.
20. Other Provisions of Agreement.

Except as provided in this Amendment, all other terms and conditions of Agreement shall remain in full force and effect.

**AMENDMENT NUMBER EIGHT TO**  
**COUNTY OF LOS ANGELES AGREEMENT NUMBER 68587**

IN WITNESS WHEREOF, the County of Los Angeles Board of Supervisors has caused this Amendment Number Eight to COUNTY Agreement Number 68587 to be subscribed by its Chair and the seal of such Board to be affixed and attested by the Executive Officer and Clerk thereof, and CONTRACTOR has caused this Amendment Number Eight to be subscribed on its behalf by its duly authorized officer, this \_\_\_\_ day of \_\_\_\_\_, 2004.

**COUNTY OF LOS ANGELES**

By: \_\_\_\_\_

Chair, Board of Supervisors

ATTEST:

\_\_\_\_\_  
Executive Officer  
Board of Supervisors of the  
County of Los Angeles

By: \_\_\_\_\_  
Deputy

**UNISYS CORPORATION**

By: Robert W. Johnson

Name: Robert W. Johnson

Title: V.P. & GM

APPROVED AS TO FORM:  
LLOYD W. PELLMAN

County Counsel

By: James Kashian  
James Kashian  
Principal Deputy County Counsel

## ***LEADER DEVELOPMENT AND COUNTYWIDE IMPLEMENTATION***

### ***ATTACHMENT 5 - TECHNICAL CLARIFICATIONS***

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- CONTRACTOR shall provide all specialized equipment required by CONTRACTOR's Staff, including, but not limited to, specialized voice response systems, uninterrupted power supplies, etc., at no cost to COUNTY.
- COUNTY will provide CONTRACTOR's Staff with local telephone service and utilities at such facility at no cost to CONTRACTOR.
- CONTRACTOR shall provide all computer and networking equipment (e.g., workstations, printers, servers, controllers, etc.) for CONTRACTOR's Staff and the title to and ownership of such equipment shall automatically transfer to COUNTY from CONTRACTOR upon expiration of this Agreement at no additional cost to COUNTY. In the event COUNTY terminates this Agreement for default pursuant to Paragraph 34.0 (Termination for Default), COUNTY, at its sole option, may obtain title to and ownership of such equipment, provided the cost of such equipment, at its then current fair market value, is offset against any damages due to COUNTY under Paragraph 34.0 (Termination for Default). In the event County terminates this Agreement for convenience in accordance with Paragraph 35.0 (Termination for Convenience), COUNTY, at its sole option, may purchase such equipment at its then current fair market value.
- In no event, shall the total number of CONTRACTOR's Staff exceed 75 persons, provided that in accordance with the provisions of Paragraph 49.0 (Modification Notices and Amendments) of the Base Agreement, COUNTY's DPSS Director, in his/her sole discretion, may approve an increase in the total number of CONTRACTOR's Staff.
- In no event, shall COUNTY's total cost for refurbishment of such facility for CONTRACTOR's Staff exceed One Hundred Thousand Dollars (\$100,000), provided that COUNTY's Board of Supervisors, in its sole discretion, may approve an increase in the total cost for refurbishment of such facility for CONTRACTOR's Staff in an additional amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000) for a total cost of Two Hundred Fifty Thousand Dollars (\$250,000).

# **LEADER DEVELOPMENT AND COUNTYWIDE IMPLEMENTATION SCHEDULE OF PAYMENTS**

## **SCHEDULE B - FIXED RATE PRICES**

PRICE ITEM	FIXED HOURLY RATE	FIXED MONTHLY RATE	MAXIMUM TOTAL PRICE
Local Office Hardware/Software Utilization Fixed Rate Price Total*			\$10,225,215.35
LEADER Facility Management/Operations and Telecommunications Fixed Rate Price <i>(Monthly Fixed Rate per 1,000 cases. See Paragraph 6.2.1 of the Base Agreement.)</i>		\$93.00	\$12,883,194.00
LEADER Application Software Modifications ** and/or Enhancements Fixed Rate Price Total for a Maximum of 192,000 Hours <i>(Maximum Total Price based on 4,000 hours per month.)</i>	\$76.02		\$14,595,840.00
LEADER Application Software Modifications ** and/or Enhancements Fixed Rate Price Total for Hours in Excess of 192,000 Hours <i>(Maximum Total Price based on 8,000 hours per month.)</i>	\$123.00		\$15,481,887.00
Amended Monthly Fixed Rate Price for LEADER Facilities Management/Operations and Telecommunications - if Caseload Increases by 10% Within Invoicing Period <i>(Monthly Fixed Rate per 1,000 cases.)</i>		\$91.00	
Equipment Moves <i>(Billed at the Unisys rate for Customer Service Engineers.)</i>	\$145.00		

\* Note: See Schedule E for details. A 50% price discount will be applied to all invoices rendered during the Initial Term and any Extended Term for all Local Office Hardware/Software installed through completion of Countywide Implementation as defined in the PCD and Paragraph 6.2.2 of the Base Agreement.

\*\* The 192,000 hours at the \$76.02 Fixed Hourly Rate shall be completely exhausted before any hours in excess of 192,000 at the \$123.00 Fixed Hourly Rate are used.

# LEADER DEVELOPMENT AND COUNTYWIDE IMPLEMENTATION SCHEDULE OF PAYMENTS

## SCHEDULE C - OPTIONAL YEAR 1

PRICE ITEM	FIXED HOURLY RATE	FIXED MONTHLY RATE	MAXIMUM TOTAL PRICE
Local Office Hardware/Software Utilization Fixed Rate Price Total*			\$2,459,443.14
LEADER Facility Management/Operation and Telecommunications Fixed Rate Price <i>(Monthly Fixed Rate per 1,000 cases. See Paragraph 6.2.1 of the Base Agreement.)</i>		\$111.60	\$4,059,316.80
LEADER Application Software Modifications and/or Enhancements Fixed Rate Price Total for up to 4,000 Hours Per Month	\$83.62		\$4,013,760.00
LEADER Application Software Modifications and/or Enhancements Fixed Rate Price Total for Hours in Excess of 4,000 Hours Per Month	\$123.00		\$5,904,000.00
Amended Monthly Fixed Rate Price for LEADER Facilities Management/Operations and Telecommunications - if Caseload Increases by 10% Within Invoicing Period <i>(Monthly Fixed Rate per 1,000 cases.)</i>		\$109.00	
Equipment Moves <i>(Billed at the Unisys rate for Customer Service Engineers.)</i>	\$145.00		

\*Note: See Schedule F for details. A 50% price discount will be applied to all invoices rendered during the Initial Term and any Extended Term for all Local Office Hardware/Software Installed through completion of Countywide Implementation as defined in the PCD and Paragraph 6.2.2 of the Base Agreement.

# LEADER DEVELOPMENT AND COUNTYWIDE IMPLEMENTATION SCHEDULE OF PAYMENTS

## SCHEDULE D - OPTIONAL YEAR 2

PRICE ITEM	FIXED HOURLY RATE	FIXED MONTHLY RATE	MAXIMUM TOTAL PRICE
Local Office Hardware/Software Utilization Fixed Rate Price Total*			\$2,582,415.30
LEADER Facility Management/Operation and Telecommunications Fixed Rate Price <i>(Monthly Fixed Rate per 1,000 cases. See Paragraph 6.2.1 of the Base Agreement.)</i>		\$122.76	\$4,465,248.48
LEADER Application Software Modifications and/or Enhancements Fixed Rate Price Total for up to 4,000 Hours Per Month	\$83.62		\$4,013,760.00
LEADER Application Software Modifications and/or Enhancements Fixed Rate Price Total for Hours in Excess of 4,000 Hours Per Month	\$123.00		\$5,904,000.00
Amended Monthly Fixed Rate Price for LEADER Facilities Management/Operations and Telecommunications - if Caseload Increases by 10% Within Invoicing Period <i>(Monthly Fixed Rate per 1,000 cases.)</i>		\$109.00	
Equipment Moves <i>(Billed at the Unisys rate for Customer Service Engineers.)</i>	\$145.00		

\*Note: See Schedule F for details. A 50% price discount will be applied to all invoices rendered during the Initial Term and any Extended Term for all Local Office Hardware/Software installed through completion of Countywide Implementation as defined in the PCD and Paragraph 6.2.2 of the Base Agreement.

MOTION BY SUPERVISOR GLORIA MOLINA

January 20, 2004

Amendment to Item 34

The Department of Public Social Services (DPSS) conducted a pilot project at the Metro Family DPSS' district office in an attempt to improve and lower response times of Eligibility Determination/Benefits Calculations (ED/BC) transactions. Reports show that in the months of October, November, and December 2003, the Eligibility Determination/Benefits Calculations (ED/BC) transactions averaged 22 seconds which is in compliance with the current LEADER contract.

However, in a recent site visit to a district office, my staff observed that the ED/BC transactions response time averaged up to 84 seconds during the first days of the month. User and client satisfaction of LEADER must be a priority and the department needs to work with Unisys to identify the causes for the delays and correct them immediately. Most of the time delays can be solved through additional training.

I, THEREFORE MOVE, THAT DPSS, within the next 60 days, conduct a pilot project in district offices to identify the causes for the time delays and implement a training program to improve our response times.

LO/jh

MOTION

Molina	_____
Burke	_____
Yaroslavsky	_____
Antonovich	_____
Knabe	_____